

ONE HUNDRED TENTH CONGRESS

Congress of the United States

House of Representatives

COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM

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**Statement of Rep. Henry A. Waxman
Chairman, Committee on Oversight and Government Reform
Markup of H.R. 1362, the Accountability in Contracting Act
March 8, 2007**

The bill before us, H.R. 1362, the Accountability in Contracting Act, would increase transparency and accountability in federal contracting, limit the use of certain types of abuse-prone contracts, and promote integrity in the acquisition workforce. The substitute amendment which I will offer shortly will include a number of provisions that were suggested by the Ranking Member.

This Committee has recently held multiple hearings on waste, fraud, and abuse in federal contracting concerning Iraq reconstruction, Hurricane Katrina, the Department of Homeland Security, and in other areas. These hearings have exposed a pattern of reckless spending, poor planning, and ineffective oversight by contract officials that has resulted in the waste of hundreds of millions of taxpayer dollars.

To address some of these problems, H.R. 1362 would limit the length of sole-source contracts awarded in emergency situations to eight months. It would also require large federal agencies to develop and implement plans to reduce the use of sole-source contracts and cost-plus contracts, another often-abused type of contract.

When a sole-source contract is awarded, agencies are required to prepare a "justification and approval document" to explain why full and open competition wasn't used to award the contract. The bill would require those documents to be made public.

The bill also promotes transparency in the acquisition process by requiring agencies to report to Congress on contracts on which audits have found questioned costs of more than \$1 million, and that the audits showing those costs be transmitted to Congress upon request.

A big and growing problem with the federal acquisition system is a workforce that is too small and under-trained. The bill requires agencies to spend additional resources on hiring and training contracting personnel.

Finally, the bill includes the revolving-door provisions affecting the contract workforce that the Committee unanimously adopted two weeks ago during our markup of H.R. 984, the Executive Branch Reform Act.

These are all sound, common sense reforms which will improve the transparency and accountability of the federal acquisition system, and I urge members to support this bill.